

**AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE DOMINICAN REPUBLIC
REGARDING THE CONSOLIDATION AND RESCHEDULING OF
CERTAIN DEBTS OWED TO, GUARANTEED BY, OR INSURED
BY THE UNITED STATES GOVERNMENT AND ITS AGENCIES**

The United States of America (the "United States") and the Dominican Republic ("DR") agree as follows:

ARTICLE I

Application of the Agreement

1. In accordance with the recommendations contained in the Agreed Minute on the *Consolidation of the Debt of the Dominican Republic* ("DR"), signed at Paris on April 16, 2004 (hereinafter referred to as the "Minute") by representatives of certain nations, including the United States, (hereinafter referred to as the "Participating Creditor Countries"), and by the representative of the DR, and in accordance with the applicable domestic laws of the United States and the DR, the United States and the DR agree to consolidate and reschedule certain DR payments with respect to debts which are owed to, guaranteed by or insured by the United States Government or its Agencies, as provided for in this Agreement.
2. With respect to amounts due to the Export-Import Bank of the United States ("Ex-Im Bank"), the United States Department of Defense ("DoD") and the United States Agency for International Development ("USAID"), each agency will notify the DR of their respective amounts rescheduled hereunder. This Agreement will be further implemented by separate agreements (the "Implementing Agreements") between the Commodity Credit Corporation ("CCC") and the DR concerning CCC Credits and between the United States and the DR concerning United States Department of Agriculture ("USDA") PL 480 Credits.

ARTICLE II

Definitions

1. "Contracts" means those agreements or other financial arrangements that have maturities under:
 - (a) Loans from the United States or its Agencies, having original maturities of more than one year and which were extended to the Government of the DR or its public sector or covered by a guarantee of the Government of the DR or its public sector, pursuant to a contract or other financial arrangement concluded before June 30, 1984.
 - (b) Commercial credits guaranteed or insured by the United States or its Agencies, having original maturities of more than one year and which were extended to the Government of the DR or its public sector or covered by a guarantee of the Government of the DR or its public sector, pursuant to a contract or other financial arrangement concluded before June 30, 1984.
 - (c) The bilateral debt rescheduling agreement between the United States and the DR signed on October 30, 1992.

A table listing the relevant Contracts to be included under the rescheduling is attached hereto as Annex A.

Debt service due as a result of debts described above and effected through special payment mechanisms or other external accounts is covered by this Agreement.

2. "Agencies" mean Ex-Im Bank, DoD, USDA and USAID.
3. "Consolidated Debt" means 100 percent of the sum of unpaid principal and interest falling due from January 1, 2004 through December 31, 2004, inclusive, on Contracts specified in Paragraphs 1(a) and 1(b) of this Article.
4. "Consolidated Arrears" means 100 percent of the sum of principal and interest, including Late Interest Charges, which was due and unpaid as of December 31, 2003 with respect to the Contracts specified in Paragraphs 1(a) and 1(b) of this Article.
5. "Consolidated Previously Rescheduled Debt ("PRD")" means 100 percent of the sum of unpaid principal and interest falling due from January 1, 2004 through December 31, 2004 inclusive with respect to Contracts specified in Paragraph 1(c) of this Article.

6. "Consolidated PRD Arrears" means 25 percent of the sum of principal and interest, including Late Interest Charges, which was due and unpaid as of December 31, 2003 with respect to the Contracts specified in Paragraph 1(c) of this Article.
7. "Late Interest Charges" means interest that has accrued through December 31, 2003 on Consolidated Arrears and Consolidated PRD Arrears on due but unpaid amounts of principal and interest, in accordance with the terms of the Contracts, notwithstanding any payment of principal and interest due subsequent to the original due dates.
8. "Interest" means interest payable on Consolidated Debt, Consolidated Arrears, Consolidated PRD, Consolidated PRD Arrears, and Late Interest Charges in accordance with the terms of this Agreement. Interest shall accrue at the rates set forth in this Agreement beginning on January 1, 2004 for payments of principal and interest comprising the Consolidated Debt, Consolidated Arrears, Consolidated PRD, Consolidated PRD Arrears, and Late Interest Charges.
9. "Additional Interest" means interest accruing at the rates set forth in this Agreement on due but unpaid installments of Consolidated Debt, Consolidated Arrears, Consolidated PRD, Consolidated PRD Arrears, Interest, and Late Interest Charges beginning on the respective due dates for such installments as established by this Agreement and continuing to accrue until such amounts are repaid in full.

ARTICLE III

Terms and Conditions of Payment

1. The DR agrees to repay the Consolidated Debt, Consolidated Arrears, Consolidated PRD, and Consolidated PRD Arrears in United States dollars in accordance with the following terms and conditions:
 - (a) The Consolidated Debt, Consolidated Arrears, Consolidated PRD, and Consolidated PRD Arrears shall be repaid in fourteen (14) consecutive semi-annual installments, payable on April 1 and October 1 of each year, commencing on April 1, 2010 and ending on October 1, 2016, in accordance with the following schedule:

5.50% on April 1, 2010;	5.71% on October 1, 2010;
5.94% on April 1, 2011;	6.17% on October 1, 2011;
6.41% on April 1, 2012;	6.66% on October 1, 2012;
6.92% on April 1, 2013;	7.19% on October 1, 2013;
7.47% on April 1, 2014;	7.76% on October 1, 2014;

8.06% on April 1, 2015; 8.38% on October 1, 2015;
8.75% on April 1, 2016; 9.08% on October 1, 2016;

- (b) The rate of Interest and Additional Interest on Consolidated Debt, Consolidated Arrears, Consolidated PRD, and Consolidated PRD Arrears shall be as follows for the United States and its Agencies:
- (i) For Ex-Im Bank debt, the rate of Interest and Additional Interest shall be the per annum rate for each Interest Period, as defined in Annex C, determined by Ex-Im Bank to be one-half of one percent (1/2%) over the interest rate applicable to U.S. Treasury six-month borrowings, which is in effect on the first day of the Interest Period. For the initial Interest Period from January 1, 2004 through September 30, 2004, the semi-annual rate shall be 1.75%. For each subsequent Interest Period, Ex-Im Bank shall notify the DR of the appropriate per annum rate for such period. The interest rate for Additional Interest will be determined as defined in Annex C.
 - (ii) For DoD, the rate of Interest and Additional Interest shall be the rate as determined by the Department of the Treasury, Office of Public Debt Accounting, for a 12 year and 10 month maturity in effect as of the date of entry into force of this Agreement, plus an administrative cost of one-eighth of one percent. As of August 2004, the interest rate is approximately 4.875 percent.
 - (iii) For the USAID Housing Guaranty program, the rate of Interest and Additional Interest shall be the rate as determined by the Department of the Treasury, Office of Public Debt Accounting, for a 12 year maturity in effect as of the date of entry into force of this Agreement, plus an administrative cost of one-eighth of one percent. As of November 2004, the interest rate is approximately 4.375 percent.
 - (iv) For the CCC, the rate of Interest and Additional Interest shall be the rate as determined by the Department of the Treasury, Office of Public Debt Accounting, for a 12 year maturity in effect as of the date of signature of this Agreement, plus one-half of one percent. As of August 2005, the all-inclusive interest rate is approximately 4.625 percent.
 - (v) For USAID direct loans, the rate of Interest and Additional Interest shall be fixed according to a weighted average at 2.82 percent per year.
 - (vi) For USDA PL-480 agreements, the rate of Interest and Additional Interest shall be fixed at 3.64 percent per year.

- (c) Interest with respect to the Consolidated Debt, Consolidated Arrears, Consolidated PRD, and Consolidated PRD Arrears shall be paid semi-annually on April 1 and October 1 of each year, commencing on October 1, 2004.
- (d) Notwithstanding the repayment schedule set forth in paragraph 1(c) of this Article, any Interest installment due prior to the date of the signing of this Agreement shall be paid as soon as possible but not later than 35 days after the signing of this Agreement. Any Interest installment paid later than 35 days after the signing of this Agreement will be charged Late Interest. Late Interest will accrue from the date of the signing of this Agreement.

A table summarizing the amount of Consolidated Debt, Consolidated Arrears, Consolidated PRD, and Consolidated PRD Arrears owed to the United States and its Agencies is attached hereto as Annex B.

- 2. It is understood that adjustments may be made as mutually deemed necessary in the amounts of Consolidated Debt, Consolidated Arrears, Consolidated PRD, and Consolidated PRD Arrears, and Late Interest Charges.

ARTICLE IV

General Provisions

- 1. The DR agrees to grant the United States and its Agencies treatment and terms no less favorable than that which it has accorded, or which it may accord, to any other creditor country or its agencies for the consolidation of debts of comparable maturities.
- 2. The DR agrees to secure from external creditors, including banks and suppliers, rescheduling or refinancing arrangements on terms comparable to those set forth in the Minute for credits of comparable maturities making sure to avoid inequity of treatment among different creditors.
- 3. The DR agrees to pay all Consolidated Debt, Consolidated Arrears, Consolidated PRD, and Consolidated PRD Arrears, Late Interest Charges, Interest, and Additional Interest, if any, to the United States and its Agencies, in United States dollars, without any deductions for taxes, fees or other public charges or any other costs accruing inside or outside the DR.
- 4. The DR agrees to pay all debt service due and not paid, which is owed to, guaranteed by, or insured by, the United States or its Agencies, but which is not covered by this Agreement by December 31, 2004, in the event the Agreement is signed by December 31, 2004, or within 35 days after signature of this Agreement, in the event the Agreement is signed after December 31, 2004. Late interest will be charged on these amounts in accordance with the Contracts.

5. All terms of the Contracts remain in full force and effect, except as they may be modified by this Agreement.
6. With respect to amounts owed to Ex-Im Bank under this Agreement, the DR (referred to as the "Government" in Annex C hereto) agrees to the additional terms and conditions set forth in Annex C.
7. With respect to amounts owed to USAID under this Agreement, the DR (referred to as the "Government" in Annex D hereto) agrees to the additional terms and conditions set forth in Annex D.
8. With respect to amounts owed to DoD under this Agreement, the DR (referred to as the "Government" in Annex E hereto) agrees to the additional terms and conditions set forth in Annex E.

ARTICLE V

Suspension or Termination

1. The United States may suspend or terminate this Agreement by giving sixty (60) days written notice to the DR. If the Agreement is terminated, the amounts already consolidated at the date of the termination will become immediately due. Late interest will be charged on those amounts from the original due dates up to the effective date of termination of this Agreement and will be immediately payable. The amounts eligible for treatment under this Agreement and falling due after the date of the termination of this Agreement will be due on their original due dates.
2. This Agreement may be amended or modified by mutual consent of the United States and the DR.

ARTICLE VI

Entry into Force

This Agreement shall enter into force following signature of the Agreement and receipt by the DR of written notice from the United States that all necessary U.S. domestic legal requirements for entry into force of the Agreement have been fulfilled.

Done at Santo Domingo, Dominican Republic in the English language, this 09 day of September, 2005.

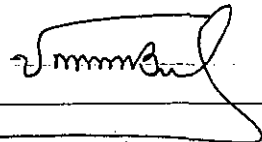
FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

By: 

Name: Hans H. Hertell

Title: United States Ambassador to
The **DOMINICAN REPUBLIC**

FOR THE GOVERNMENT OF THE
THE DOMINICAN REPUBLIC

By: 

Name: Vicente Bengoa

Title: Minister of Finance of
The **DOMINICAN REPUBLIC**

Annex A

Contracts Subject to Rescheduling

Export-Import Bank

Loan Number

R0179

Department of Defense

Loan Number

DR947D

USAID Housing Guarantee

Credits

517-HR-004

USAID Direct

Loans

517-K-009
517-K-011
517-K-012
517-K-019
517-K-039
517-K-039A
517-K-039B
517-L-002A
517-L-004
517-L-005
517-L-007
517-L-008A
517-L-010A
517-L-014
517-L-016
517-L-017

517-L-018A
517-L-020
517-L-021
517-L-023
517-L-024
517-L-026A
517-N-015
517-T-027
517-T-029
517-T-031
517-T-033A
517-T-033B
517-T-033C
517-T-034
517-T-035
517-T-037

517-T-040
517-T-040A
517-T-042A
517-T-043
517-T-045
517-T-045A
517-T-045B
517-T-045C
517-U-028
517-U-030
517-V-032
517-V-036
517-V-044
517-W-038
517-W-041
517-X-068B

USDA CCC Credits

10/30/92

USDA PL 480

Credits

1/13/84

10/30/92

Annex B

Summary of Consolidated Debt, Consolidated Arrears, Consolidated PRD, and Consolidated

PRD Arrears

(thousands of US dollars)

EXIM	\$19,912
DOD	\$ 1,491
USAID HG	\$ 1,280
USAID DL	\$37,642
USDA CCC	\$37,010
USDA PL480	\$13,899
Total	\$111,234

Annex C

ADDITIONAL TERMS AND CONDITIONS WITH RESPECT TO AMOUNTS OWING TO EX-IM BANK

The Government of the Dominican Republic, (hereinafter referred to as the "Government"), agrees to the following additional terms and conditions with respect to the amounts owing to Ex-Im Bank, guaranteed by Ex-Im Bank, or insured by Ex-Im Bank, pursuant to the attached Agreement between the Government of the United States of America and the Government:

A. Definitions.

1. "Business Day" means any day on which the Federal Reserve Bank of New York is open for business.
2. "Interest Payment Date" means with respect to Consolidated Debt, Consolidated Arrears, Consolidated PRD, and Consolidated PRD Arrears, April 1 and October 1 of each year commencing on October 1, 2004. In the event any Interest Payment Date is not a Business Day, then the next succeeding Business Day after such date shall be the Interest Payment Date.
3. "Interest Period" for purposes of this agreement means the six-month period beginning on each Interest Payment Date and ending on the day immediately preceding the next succeeding Interest Payment Date.

B. Payments.

1. Funds and Place of Payment. All payments to be made by the Government to Ex-Im Bank under this Agreement shall be made in United States dollars in immediately available and freely transferable funds to the Federal Reserve Bank of New York for credit to Ex-Im Bank's account at the U.S. Treasury Department as identified below or as otherwise directed in writing by the Treasurer-Controller or an Assistant Treasurer-Controller of Ex-Im Bank.

US Treasury Department
021030004
TREAS NYC/CTR/
BNF=/AC-4984 OBI=
EXPORT-IMPORT BANK
DUE [DATE] ON EIB REFUNDING CREDIT NO. R-285

2. Payment on a Non-Business Day. Whenever any payment falls due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and such extension of time shall be included in the computation of Interest in connection with such payment.

3. Application of Payments. All payments made by the Government to Ex-Im Bank under this Agreement shall be applied chronologically (commencing with the oldest) to amounts then due and payable under this Agreement in the following order of priority: (a) to Interest to the extent that any Additional Interest (as hereinafter set forth) due as of the date of payment on such Interest can be satisfied on the amount applied to such Interest, and if applicable, ratably to those Interest installments due on the same date, and (b) to the principal to the extent that any Additional Interest due as of the date of payment on such principal can be satisfied on the amount applied to such principal, and if applicable, ratably to those principal installments due on the same date.
 4. Prepayments. The Government shall have the right to prepay on any Interest Payment Date all or part of the principal then outstanding under this Agreement; provided that the Government shall have paid all amounts due and payable under this Agreement as of the date of such prepayment, together with Interest which has accrued to the date of prepayment on the amount prepaid. Any such prepayment shall be applied by Ex-Im Bank to the outstanding installments of principal in the inverse order of their scheduled maturity, and if applicable, ratably to those installments of principal maturing on the same date.
- C. Exporter Retentions. The term "Exporter Retention(s)" means with respect to the Contracts stipulated in this Agreement, (a) that portion of commercial credits from commercial lenders or U.S. exporters which was not guaranteed or insured by Ex-Im Bank and is owed to such commercial lenders or U.S. exporters or (b) loans from commercial lenders or U.S. exporters which were incurred in participation with loans from Ex-Im Bank. In the event that the commercial lender or U.S. exporter agrees to consolidate and reschedule its Exporter Retentions(s) in accordance with the terms of this Agreement, such Exporter Retentions(s) shall be included in the subject rescheduling.
- D. Computation of Interest. Interest shall be computed on the basis of the actual number of days elapsed, using a 365-day year.
- E. Additional Interest. If any amount of the principal or Interest owing to Ex-Im Bank under this Agreement is not paid in full on the due dates set forth in this Agreement, the Government shall pay to Ex-Im Bank on demand Additional Interest on the unpaid amount, accruing from the respective principal or interest due date until paid in full, computed on the same basis as Interest, at the rate stipulated in this Agreement.
- F. Representations. The Government represents and warrants that it has taken all actions necessary or advisable under its laws and regulations to authorize the execution, delivery and performance of this Agreement and that this Agreement constitutes the valid and binding obligations of the Government, enforceable against the Government in accordance with its terms and for the performance of which the full faith and credit of the Government is pledged. The Government acknowledges that the activities contemplated by this Agreement are commercial in nature rather than governmental or public and agrees that, to the extent that it has or hereafter may acquire immunity from suit, judgment and/or execution, it will not

assert or claim any such right of immunity with respect to any action by Ex-Im Bank to enforce the Government's obligations under this Agreement.

- G. Events of Default. In the event that the Government fails to pay when due (a) any amount owing to Ex-Im Bank under this Agreement or (b) any amount owing under any other agreement or instrument in which any indebtedness (whether direct or indirect, contingent or otherwise) of the Government thereunder is owed to, guaranteed or insured, in whole or in part, by Ex-Im Bank, then Ex-Im Bank, by written notice to the Government, may make immediately due and payable the entire principal amount owing to Ex-Im Bank and outstanding under this Agreement, plus accrued Interest and Additional Interest thereon to the date of payment, and all other amounts owing to Ex-Im Bank under this Agreement.

H. Miscellaneous Provisions.

1. Disposition of Indebtedness. Ex-Im Bank may at any time sell, assign, transfer, negotiate, grant participation in, or otherwise dispose of all or any portion of the indebtedness of the Government outstanding and owing to Ex-Im Bank under this Agreement to any party, and any such party shall enjoy all the rights and privileges of Ex-Im Bank under this Agreement. The Government shall, at the request of Ex-Im Bank, execute and deliver to Ex-Im Bank or to such party or parties as Ex-Im Bank may designate any and all further instruments as may be necessary or advisable to give full force and effect to such disposition by Ex-Im Bank.

In the event that Ex-Im Bank does decide to sell, assign, transfer, negotiate, grant participation in, or otherwise dispose of all or any portion of the indebtedness of the Government, Ex-Im Bank agrees to provide ten (10) days' prior written notice to the Government of such decision.

This notice is provided by Ex-Im Bank as a courtesy to the Government and shall in no way limit Ex-Im Bank at its sole discretion, to sell, assign, transfer, negotiate, grant participation in, or otherwise dispose of all or any portion of the indebtedness of the Government.

2. Expenses. The Government shall pay on demand all reasonable costs and expenses incurred by or charged to Ex-Im Bank in connection with or arising out of this Agreement, including without limitation costs and legal fees incurred by or charged to Ex-Im Bank in connection with the enforcement of this Agreement.
3. Adjustments. On or about 135 days after the implementation of this Agreement, Ex-Im Bank shall inform the Government of the actual amounts, if any, to be rescheduled hereunder. The parties hereto agree to make any necessary adjustments to the amounts being rescheduled.
4. Communications. All communications between the Government and Ex-Im Bank under this Agreement shall be in writing, in the English language (or accompanied by an

accurate English translation). All communications to the Government shall be addressed to the Government at the address designated by the Government from time to time in writing to Ex-Im Bank; all communications to Ex-Im Bank shall be addressed to Ex-Im Bank at the following address:

Export-Import Bank of the United States
811 Vermont Avenue, N.W.
Washington, D.C. 20571
Attention: Treasurer-Controller
Telex: 89461 EX-IM BANK WSH
197681 EXIM UT
Reference: Dominican Republic Bilateral Agreement R-285
Facsimile: (202) 565-3890

5. Governing Law. The Ex-Im Bank portion of this Agreement shall be governed by and construed in accordance with, the laws of the District of Columbia, United States of America.

Annex D

Additional Terms and Conditions with Respect to Amounts Owing to USAID

A. TERMS AND CONDITIONS OF PAYMENTS

1. Payments. The Government agrees to pay amounts owing to USAID in accordance with the terms and conditions of this Agreement, including this Annex.
2. Funds and Place of Payment. All payments made to USAID by the Government under this Agreement shall be made in United States dollars via electronic funds transfer to the Federal Reserve Bank, 33 Liberty Street, New York, New York 10045. Payment instructions to the Federal Reserve Bank should read:

BNF-/AC-72000001 OBI=(Pay US Dollars
Principal Interest
Loan Number)
3. Application of Payments. To the extent a payment by the Government is insufficient to satisfy the aggregate amount of principal and interest due, such payment shall be applied first to interest then due, with the remainder, if any, applied to the principal amount of the installment.
4. Prepayments. Any prepayments made pursuant to Article III that may be applied to installments of principal shall be applied in the inverse order of their maturity if the rescheduled amounts relate to direct loans and in chronological order if the rescheduled amounts relate to obligations under the housing guaranty program.
5. Payments due on non-business days. In the event that a payment is due on a day when the Federal Reserve Bank of New York is closed for business, the payment shall be made on the next succeeding business day. This extension of time shall be included in computing the interest on such payment and excluded from the following interest period, if any.

B. INTEREST

1. Computation of Interest. Interest shall be computed on the basis of the outstanding balance of the loan times the interest rate (annual interest) and dividing by the number of payments per year.

C. GENERAL PROVISIONS

1. Adjustments. Following the execution of this Agreement, USAID shall inform the Government of the actual amounts to be rescheduled hereunder, provide a repayment schedule of those amounts, and notify the Government of the actual applicable interest rate(s). The parties hereto agree to make any necessary adjustments to the amounts being

rescheduled under this Agreement and such amounts may be further adjusted, from time to time, as the parties may mutually agree.

2. Future consolidations. If the terms of this Agreement provide for the consolidation period to be extended beyond the initial consolidation period, and provided that any conditions contained in the Agreement are met, USAID will manage each extended period as a separate loan and identify it with a separate loan number and interest rate. Following notification that the conditions have been met, USAID will inform the Government of the actual amounts to be rescheduled under that consolidation, provide a repayment schedule of those amounts, and notify the Government of the applicable interest rate(s).

3. Communications. All communications between the Government and USAID shall be in writing in the English language (or accompanied by an accurate translation). All communications to the Government shall be addressed as the Government may designate from time to time in writing to USAID. All communications to USAID shall be addressed as follows:

Chief
Office of Financial Management, Loan Management Division (FM/LM)
USAID
1300 Pennsylvania Avenue, N.W.
Room 2.10.B56
Washington, D.C. 20523
Fax: (202) 216-3541

USAID may change this designated address upon written notice to the Government.

4. Authorized Representatives. The Government shall designate in writing duly authorized representatives permitted to perform any and all actions required under this Agreement and may change its designated representatives by written notice to USAID. USAID may accept the signature of such representatives on any instrument as conclusive evidence that any such action effected by such instrument is authorized by the Government until receipt of written notice of revocation of their authority.

5. a. Event of Default. The failure by the Government to make full payment of any installment when due under this Agreement shall be deemed to be an event of default. Upon the occurrence of an event of default, USAID, at its option, may declare all or any part of unpaid principal and all accrued interest thereon to be due and payable immediately. If the Government pays the defaulted installment, including any Additional Interest which has accrued thereon, within sixty (60) days of any such declaration, the declaration of an Event of Default will be deemed to have been rescinded.

b. Waivers of Default. No delay in exercising, or omission to exercise, any right accruing to USAID under this Agreement shall be construed as an acquiescence or waiver by USAID of any such right.

6. Notification and Confirmation. USAID will, to the maximum extent practicable, notify the Government of payments due at least fifteen (15) days prior to the due date of each payment. Failure to provide such notice, however, does not excuse failure to make payment when due.

7. Governing Law. The USAID portion of this Agreement will be governed by, and construed in accordance with, the laws of the District of Columbia, United States of America.

8. Expenses. The Government shall reimburse USAID, upon demand, for all reasonable and documented expenses (including legal fees) incurred by or charged to USAID in connection with or arising out of enforcement of this Agreement.

Annex E

Repayment Provisions on Amounts Due To the Department of Defense

All payments of principal and interest are payable in immediately available funds, free and clear of, and without deduction for, any taxes, levies, imposts, deductions, and withholdings whatsoever now or hereafter imposed, levied, collected, or assessed with respect thereto by any central or local authority of the Government and shall be paid free from all restrictions of any central or local authority of the Government.

The terms of this Agreement require payment in immediately available funds. To meet this requirement, request the payment be wire transferred to the Defense Security Cooperation Agency through the Federal Reserve Bank of New York. The wire transfer must include the following payment instructions:

021030004 Payment Amount (in U.S. dollars)
TREASURY NYC/(97000002)DSCA/COMPT/FM/PENTAGON
(Begin third party text – may use up to 230 characters with this optimum format; this text should include the precise loan installments (s) to which the remitted amount should be credited.)

Interest shall be computed on the basis of the actual number of days using a 365-day year. Repayments which are due on a Saturday, Sunday, or public holiday, shall be made on the next succeeding business day in accordance with the laws of the United States. This extension of time, if applicable, shall be included in computing the interest on such repayments, but excluding from the next interest period, if any. Failure of the Government to make full repayment when due of any installment(s) of principal and/or interest shall result in an aggregate amount payable of the overdue installment(s), plus additional interest thereon at the rate specified from the due date to the date of repayment. If an installment payment made by the Government is insufficient to satisfy the aggregate amount of principal and interest then due, such repayment shall be applied first to satisfy the interest due with the remainder, if any, applied to satisfy the principal amount of the installment.

In order to determine accurately the actual cost of funds applicable to debt due to the Department of Defense and hereby rescheduled, the interest rate shall be assigned at the time the Department of Defense provides the notification implementing this Agreement pursuant to Article I, paragraph 2. The interest rate stated in Article III, paragraph 1(b) of this Agreement represents a best estimate only and may fluctuate prior to the assignment of the interest rate as noted above.

The Government shall have the right to prepay at any time and from time-to-time without penalty or premium, all or any part of the principal due under this Agreement. Each prepayment shall be accomplished by the payment of interest on the amount prepaid to the

date of prepayment. Each such prepayment shall be applied to the principal installments in the inverse order of their maturity.

The Government represents and warrants that it has taken all action necessary and appropriate under its constitution and laws to authorize it to incur the indebtedness herein contemplated and to execute this Agreement. The Government further represents and warrants that this Agreement has been validly signed and entered into by the Government and is binding upon it in accordance with its terms and when delivered pursuant hereto will constitute the valid and binding obligation of the Government for the payment and performance of which the full faith and credit of the Government is pledged.

If the Government fails to pay any amount due to the Department of Defense, or if any representation or warranty of the Government herein proves to be untrue in any material respect, the Department of Defense, by written notice to the Government, and giving the Government ten (10) business days to respond, may make immediately due and payable the entire principal indebtedness then outstanding and accrued interest thereon to date of payment.

All sums payable hereunder shall be payable without deduction for any present or future taxes, duties, fees or other charges levied or imposed by the Government or any political or taxing subdivision thereof.

No failure or delay on the part of the Department of Defense to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof.

All statements, reports, certificates, opinions and other documents or information furnished to the Department of Defense under this Agreement shall be supplied by the Government without cost to the Department of Defense.

The Government shall reimburse the Department of Defense, on demand, for all reasonable and documented out-of-pocket expenses (including legal fees) incurred by the Department of Defense in connection with the enforcement of this Agreement.

To the extent that the Government has or hereafter may acquire immunity from suit, judgment, and/or execution, the Government agrees that it shall not assert or claim any such right of immunity with respect to any action to enforce its obligations under this Agreement, except as provided for in the Government's judicial codes with respect to execution through the courts of the Government.

Upon entry into force of this Agreement, the Department of Defense shall consider arrears as having been rescheduled for the purposes of resuming the provision of assistance to the Government. The Department of Defense will notify the Government of the amounts rescheduled, provide a repayment schedule of those amounts, and provide the actual interest rate assigned to this Agreement.

The Department of Defense portion of this Agreement shall be governed by, and construed in accordance with, the laws of the District of Columbia, United States of America.

If the terms of this Agreement provide for the Consolidation Period to be extended beyond the initial Consolidation Period, and provided that any conditions contained therein are met, the Department of Defense will manage each extended Consolidation Period as a separate loan and identify it with a separate loan number and interest.

All communications between the Government and the Department of Defense shall be in writing, in the English language at the following address:

Defense Security Cooperation Agency
201 12th Street South, Suite 203
Arlington, VA 22202

Facsimile: (703) 604-6538